

3. Do you use prepaid or credit contracts having a total cost of more than two hundred (\$200) dollars? (written or oral) Yes ☐ No ☐
4. If you answered "yes" to Question 2 above, will your gross business receipts exceed \$150,000 this calendar year? (Gross volume is the amount reported to the IRS) Yes ☐ No ☐
5. Do you assign, discount or sell contracts to third parties? Yes ☐ No ☐
6. How many members do you anticipate will be enrolled, by this time next year, at the location whose address appears above? _____
7. How many physical fitness services locations do you have in this State? If only one location, enter (1) _____
8. Did you answer "yes" to Question (1) and answer "yes" to Question (2) or Question (3)? Yes ☐ No ☐
- If your answer to this question is "yes" you are required by law to demonstrate financial responsibility. If you answered "no" proceed to Line 11.
9. Which method of demonstrating financial responsibility do you propose to use? Surety Bond ☐
Letter of Credit ☐

Financial
Responsibility

10. If you plan to use either a surety bond or letter of credit place a checkmark next to the category which describes your center and amount of assurance.

Category	Number of Centers	Number of Members	Assurance Amount	Check One
A	Multiple Center	Any Number	\$25,000	<input type="checkbox"/>
B	Single Center	300 + Members	\$25,000	<input type="checkbox"/>
C	Single Center	200 - 299 Members	\$20,000	<input type="checkbox"/>
D	Single Center	100 - 199 Members	\$15,000	<input type="checkbox"/>
E	Single Center	1 - 99 Members	\$10,000	<input type="checkbox"/>

11. Multiply the number which appears on Line 7 by \$50.00. This is the amount you owe: _____

I certify that all information and answers contained in all parts of this application are complete, true and correct to the best of my knowledge. Also, I agree to abide by all the provisions of the Physical Fitness Services Act and to comply with requests for information made by the S.C. Department of Consumer Affairs. All information provided herein is subject to verification.

Remit
To

South Carolina Department of Consumer Affairs
P.O. Box 5757
Columbia, S.C. 29250-5757

PLEASE READ INSTRUCTION SHEET CAREFULLY

Owner/Manager Signature

Date

Please Print

**LIST OF PHYSICAL FITNESS CENTERS
INSTRUCTIONS**

NOTE: Complete this attachment only if your answer to question 7 was two or more. Enter the present name and address of each center along with the name and telephone number of the contact person for that center.

1.	Business Name	Name of Contact Person
	Physical Address	Telephone Number
	City State Zip County	Number of Members
2.	Business Name	Name of Contact Person
	Physical Address	Telephone Number
	City State Zip County	Number of Members
3.	Business Name	Name of Contact Person
	Physical Address	Telephone Number
	City State Zip County	Number of Members
4.	Business Name	Name of Contact Person
	Physical Address	Telephone Number
	City State Zip County	Number of Members
5.	Business Name	Name of Contact Person
	Physical Address	Telephone Number
	City State Zip County	Number of Members
6.	Business Name	Name of Contact Person
	Physical Address	Telephone Number
	City State Zip County	Number of Members

USE ADDITIONAL SHEETS IF NEEDED

PLEASE READ INSTRUCTIONS CAREFULLY

**Physical
Fitness
Services**

"Physical fitness services" means facilities or services for the development of physical fitness through exercise or weight control. The term includes the facilities and services of health or exercise centers, clubs, studios, or classes; health spas, weight control centers, clinics or studios; figure salons, tanning centers; and athletic or sport clubs which provide tennis, racquet or handball courts, gymnasiums or swimming pools. It does not include rehabilitative therapy administered by a licensed physical therapist.

**Application
for Certificate
of Authority**

1. All organizations wishing to provide Physical Fitness Services in this State must first obtain a Certificate of Authority from the Administrator of the S.C. Department of Consumer Affairs. Applications must be accompanied by the following:
 - * a surety bond or other evidence of financial responsibility acceptable to the S.C. Department of Consumer Affairs, if required;
 - * a certified copy of its charter or articles of incorporation and its bylaws, if any;
 - * if a corporation, a certified copy of a certificate of existence from the Secretary of State of South Carolina; (Copies may be obtained by contacting the Secretary of State's office at (803) 734-2158.)
 - * a copy of its membership agreement, if any;
 - * a copy of any contracts to be issued, if any;
 - * certificate of authority fee.

INCOMPLETE APPLICATIONS WILL NOT BE PROCESSED

**Expiration of
Certificate**

Certificates of Authority expire on each December 31st and must be renewed if you wish to continue providing physical fitness services in this State.

**Contract
Requirements**

If you use a prepaid or credit contract at your center, that contract must conform to the requirements set by state law (§ 44-79-30, § 44-79-40, § 44-79-50). CONTRACTS NOT MEETING THE REQUIREMENTS OF STATE LAW WILL RESULT IN THE RETURN OF THIS APPLICATION. A copy of these contract requirements is enclosed.

Fee

This application must be accompanied by a certificate of authority fee in the amount of \$50.00 per center. FAILURE TO REMIT THIS FEE WILL RESULT IN THE RETURN OF THIS APPLICATION.

Information

If you need assistance with completing this application form or have any questions about the Physical Fitness Services Act § 44-79-10 et seq., please call the S.C. Department of Consumer Affairs at (803) 734-4235 or 1-800-922-1594.

SPECIAL DEPOSIT BOND

State of _____,

KNOW ALL MEN BY THESE PRESENTS. That the undersigned _____ as principal of _____ and the undersigned _____ as surety, of _____ are firmly held and bound unto the Administrator of the Department of Consumer Affairs of the State of South Carolina in full and just sum of _____ dollars, to which payment we bind ourselves and our respective successors and assigns jointly and severally.

Sealed with our seals and dated at _____ this _____ day of _____ in the year of our Lord, two thousand and _____.

WHEREAS, Section 44-79-80 of the Code of Laws of South Carolina, 1976 as amended, requires that a physical fitness center deposit and thereafter continuously maintain a bond in an amount determined by the Administrator. The bond is to be executed by a surety company authorized by the laws of this State to transact business in South Carolina and must be for the use of the State as well as any member that may have a cause of action against the physical fitness services center.

AND WHEREAS, the undersigned principal _____ aforesaid, desires to transact business within the State of South Carolina in accordance with the terms of its laws and to deposit with the Administrator a good and solvent bond in the sum of _____ dollars, does by this instrument furnish that bond.

NOW, THEREFORE, the condition of this bond is such that if the above principal has failed to comply with the S.C. Physical Fitness Services Act, S.C. Code § 44-70-10, et seq. (LAW CO-OP 1986) or has failed to provide contracted for physical fitness services to customers as determined by the Administrator after notice and opportunity for hearing, then we the Beneficiary (South Carolina Department of Consumer Affairs) are entitled to the sum of _____.

PROVIDED, HOWEVER, that liability hereunder may be terminated either (a) by written notice, from the surety to the Administrator, that liability shall terminate upon the expiration of forty-five (45) days from the date of such notice, or (b) upon written authorization mailed to the surety by the Administrator.

IN, WITNESS where of the principal and surety have set their hand and affixed their seals in the manner and form following:

In presence of witness as to principal:

Name of principal:

By: _____
(President (Officer))

In presence of witness as to principal:

Name of Surety:

By: _____
(President (Officer))

EXECUTION BY PRINCIPAL AND SURETY MUST BE PROBATED ON REVERSE SIDE

WITNESS AS TO PRINCIPAL

STATE OF _____,
_____ COUNTY.

Before me, the subscribing Notary Public, personally appeared _____
(Witness number one (see front of bond))
and made oath that he/she saw the within named _____
Company, represented by _____ sign, seal, and deliver the
within Bond, and that he/she with _____ subscribed their names as
(Witness number two (see front of bond))
witness thereto.

To be signed by witness one or two (see front of bond)

Sworn to and subscribed before
me this _____ day of _____ A.D., 20____.

_____(L.S.)
My Commission Expires: _____

WITNESS AS TO SURETY

STATE OF _____,
_____ COUNTY.

Before me, the subscribing Notary Public, personally appeared _____
(Witness number two (see front of bond))
and made oath that he/she saw the within named _____
Company represented by _____ sign, seal, and deliver the within
Bond, and that he/she with _____ subscribed their names as witness thereto:
(Witness number two (see front of bond))

To be signed by witness one or two (see front of bond)

Sworn to and subscribed before
me this _____ day of _____ A.D., 20____.

_____(L.S.)
My Commission Expires: _____

**PHYSICAL FITNESS SERVICES
IRREVOCABLE DOCUMENTARY LETTER OF CREDIT
MODEL FORM**

(Bank Name and Address on Bank Letterhead)

Applicant: (Applicant Name)
(Applicant Address)

Beneficiary: South Carolina Department of
Consumer Affairs
3600 Forest Drive
P.O. Box 5757
Columbia, SC 29250

Letter of Credit No. _____

Expiration Date: _____

Dear Sir:

We hereby issue this documentary letter of credit in your favor which is available against beneficiary's draft at sight drawn on _____ (bank name) _____, bearing the clause "drawn under documentary letter of credit number _____ accompanied by the following documents:

1. Beneficiary's signed statement addressed to the applicant, stating: _____ (applicant's name) _____ has failed to comply with the S.C. Physical Fitness Services Act, S.C. Code § 44-79-10 et seq. (LAW CO-OP 1986) or has failed to provide contracted for physical fitness services to customers as determined by the Administrator after notice and opportunity for hearing. We are therefore entitled to the sum of \$ _____ drawn under letter of credit number _____, Or

2. Beneficiary's signed statement addressed to the applicants stating that _____ (applicant's name) _____ has not replaced this letter of credit number _____ with another letter of credit or other evidence of financial responsibility acceptable to the Administrator within 45 days of the expiration date of the credit, and we are therefore entitled to the sum of \$ _____ drawn under letter of credit number _____."

(Signature of authorized bank officer)
(Title)